

SENATE BILL 3699

By Roller

AN ACT to amend Tennessee Code Annotated, Title 67,
Chapter 5, relative to property taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-5-601(b), is amended by designating the existing language as subdivision (1) and by adding the following language as new subdivision (2):

(2) The general assembly finds that the sound, intrinsic and immediate economic value of residential property is determined by a cash or cash equivalent sale of the fee simple:

(A) That is unaffected by special or creative financing or sales concessions granted by anyone associated with the sale;

(B) That occurs in a open and competitive market in which the property is exposed for a reasonable time;

(C) That is between a willing seller and willing buyer who are:

(i) Typically motivated, each acting in their own interest, prudently and knowledgeably, and

(ii) Well-informed and well-advised, and not acting under duress, undue influence or influence of a relationship, if any, of the parties to the sale;

(D) That is consummated on a specified date with the passing of title from seller to buyer: and

(E) The price of which is unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Notwithstanding any provision of part 16 of this chapter or any other provision of law to the contrary, all residential property shall be valued for taxation at the value set on such property as of January 1, 2008, or at the value obtained in the most recent sale of the property, of the type specified in this subdivision, occurring after January 1, 2008. The appraised value of a residential property shall not be increased before such sale of the property occurs after January 1, 2008, or a change in the property occurs, including, but not limited to, improvements are made, improvements are demolished, or the property is split into more than one (1) parcel, after January 1, 2009. If such change occurs, the assessor of property shall only adjust the residential property's value to reflect such change.

SECTION 2. This act shall take effect January 1, 2009, the public welfare requiring it.